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Amendment No. 1 to HB0465

Jones U
Signature of Sponsor

AMEND Senate Bill No. 195*

House Bill No. 465

by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 6-51-111, is amended by deleting subsection (e) in its entirety, and by substituting instead the following language:

(e) If at the time of annexation, the annexed territory is being provided with utility service by a municipal utility system or other state instrumentality, including but not limited to, a utility district, the annexing municipality shall, by delivering written notice of its election to the municipal utility system or other state instrumentality, have the right to purchase all or any part of the utility system of the municipal utility system or other state instrumentality then providing utility service to the area being annexed that the annexing municipality has elected to serve under this section. The purchase price shall be a price agreed upon by the parties for the properties comprising the utility system, or part thereof, that is being acquired and payment of such purchase price shall be on terms agreed to by the parties. In the event the parties cannot agree on a purchase price, then a final determination on the fair market value of the properties being acquired and all other outstanding issues shall be made using the arbitration provisions in subsection (b) and such method and determination shall be the sole means by which an annexing municipality can acquire the facilities of a municipal utility or other state instrumentality located in the annexed territory.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

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